

FORM
INSPRev
X/20

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Inspection Date:

01/24/2023

Submitted Date:

01/27/2023

Document Number:

696105694

FIELD INSPECTION FORM

Loc ID 432694 Inspector Name: Edwardson, Dylan On-Site Inspection 2A Doc Num: _____

Operator Information:

OGCC Operator Number: 10651
Name of Operator: VERDAD RESOURCES LLC
Address: 1125 17TH STREET SUITE 550
City: DENVER State: CO Zip: 80202

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
 FOLLOW UP INSPECTION REQUIRED
 NO FOLLOW UP INSPECTION REQUIRED

Findings:

- 12 Number of Comments
6 Number of Corrective Actions
 Corrective Action Response Requested

**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE**

Contact Information:

Contact Name	Phone	Email	Comment
Cugnetti, Mike		Mcugnetti@verdadoil.com	
,		regulatory@verdadoil.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
432694	LOCATION	AC			-	Shull 1-35-9-60 PAD	RI
432695	WELL	PR	08/01/2019	OW	123-37237	Shull 2-35-9-60	RI
432697	WELL	PR	09/01/2019	OW	123-37239	Shull 1-35-9-60	RI
438512	WELL	PR	05/01/2021	OW	123-40028	Shull 3-35-9-60	RI

General Comment:

This is an Interim Reclamation and Stormwater Inspection for Location ID (432694).

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	UNUSED EQUIPMENT		
Comment:	Unused equipment (e.g. pipe and cattle panels) were observed near the well heads. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove any unused equipment.	Date:	<u>02/06/2023</u>
Type	WEEDS		
Comment:	Undesirable vegetation (e.g. russian thistle and kochia) was observed throughout the location and is now considered debris and needs to be removed from location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606.	Date:	<u>02/06/2023</u>
Type	TRASH		
Comment:	Trash was observed throughout the location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606.	Date:	<u>02/06/2023</u>

Overall Good:

Spills:

Type	Area	Volume	
Other		<= 1 bbl	
Comment:	Compressor station has an apparent antifreeze spill; unsure if leaking underneath the unit. Oil stained soil was also observed around the engine skid unit. Refer to attached inspection photos. Spoke with Operator on 01/27/2023 to notify of leak; Operator stated they would get someone out there to clean up ASAP.		
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a.		Date: <u>02/27/2023</u>
Other	Tank	<= 1 bbl	
Comment:	Unkown fluid leaking from tank near well head. Refer to attached inspection photos.		
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a.		Date: <u>02/27/2023</u>

In Containment: No

Comment:

Multiple Spills and Releases?

Fencing/:

Type			
Comment:	Wildlife protection devices not adequate. No exclusion fencing or door around compressor station where antifreeze spill was identified; this presents a hazard to wildlife and should be protected from wildlife entry/contact. Refer to attached inspection photos.		
Corrective Action:	Install or repair wildlife protection equipment per Rule 902.b. Operator shall install temporary exclusion devices (e.g. snow fence or similar) to exclude wildlife from coming in contact with antifreeze immediately and consider a more permanent exclusion device to prevent future contact.		Date: <u>02/08/2023</u>

Venting:

Yes/No

Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 432694 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 432695 Type: WELL API Number: 123-37237 Status: PR Insp. Status: RI

Facility ID: 432697 Type: WELL API Number: 123-37239 Status: PR Insp. Status: RI

Facility ID: 438512 Type: WELL API Number: 123-40028 Status: PR Insp. Status: RI

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment [See "Good Housekeeping" section comments.](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment [See "Good Housekeeping" section comments.](#)

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____
 1003c. Compacted areas have been cross ripped? _____
 1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
 Cuttings management: _____
 1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____
 Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment Undesirable vegetation (e.g. russian thistle and kochia) was observed throughout the location and needs to be managed in the future. An inspection will be conducted at a later date to ensure compliance with 1003 Rules.

Corrective Action Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder: _____

Comment:

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

Comment:

Corrective Action: Date _____

Overall Final Reclamation	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>
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Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: At the time of this inspection, no erosion issues were observed at location or along the access road.

Operator shall continue to monitor and manage this site for stormwater run on and runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004.

Corrective Action: Date: _____

Pits: NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	438331	400633095	
	438331	400633095	

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
696105703	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6000712